



A L B E R T A
Energy Efficiency Alliance

Busting Myths of Energy Efficiency Programs

Energy consumers, including households and businesses, typically increase energy efficiency as they upgrade their buildings and industrial facilities. This can be a slow process — but there is an opportunity to double or triple the uptake of energy efficient products and services through energy efficiency (EE) programs.

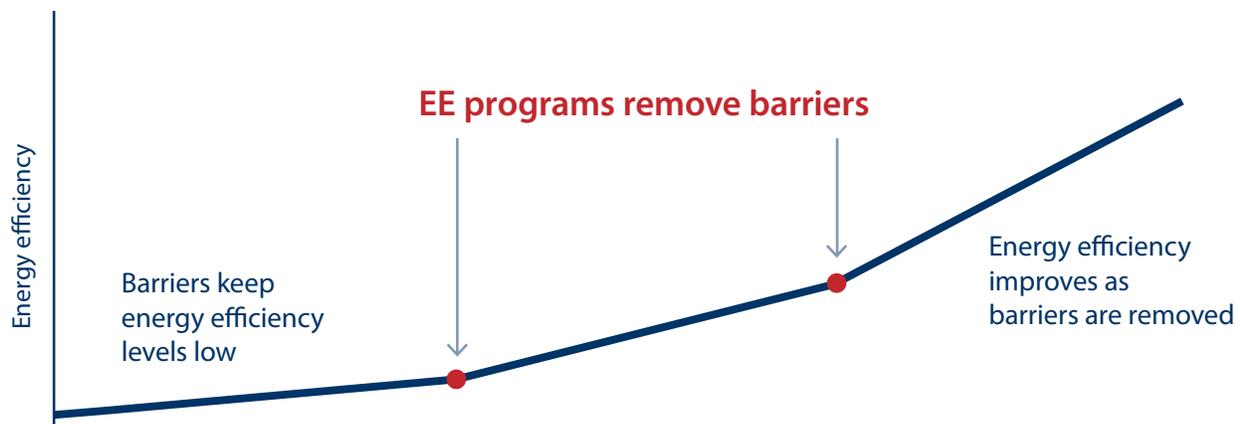
EE programs have been used for decades to improve the energy efficiency of appliances, vehicles, buildings and energy-using equipment. These programs have a proven track record of:

- Saving consumers more money than they cost
- Reducing emissions at no net cost
- Increasing the resiliency of vulnerable households and businesses
- Resulting in a net increase in jobs and economic activity
- Contributing to a jurisdiction's reputation

All other provinces and states in Canada and the U.S. have consumer energy efficiency programs.

EE programs work by overcoming barriers to adopting energy efficiency products and practices. Barriers to energy efficiency include:

- Lack of knowledge on the part of the customer
- Lack of supply for a product or service
- Lack of time (e.g., to research efficient options or seek suppliers)
- Higher initial cost to the consumer
- Split incentives between the tenant who pays the utility bills and the landlord who owns the building



Common approaches

EE programs are typically funded on an ongoing basis and evolve as market conditions change. Initial program design typically involves professional firms to assess and design to local market conditions.

EE strategies in Canadian provinces and U.S. states typically include a portfolio of programs. A portfolio approach allows multiple programs to complement one another — achieving greater results than any single program can achieve on its own. There is also typically flexibility within these portfolios to allow them to respond to the marketplace (including stakeholder input, collaboration opportunities, changes in the market and new program approaches).

77% of Albertans polled are in favour of using a portion of the Climate Change and Emissions Management Fund to fund energy efficiency programs.

Most common EE programs in Canada*

- Education and training (audiences include consumers, facility operators, energy managers, and service providers)
- Incentives for upgrading existing buildings (commercial and residential) and industrial facilities (includes equipment upgrades)
- No-cost upgrades to items like weatherstripping, insulation, and low-flow aerators and showerheads for low-income households
- Incentives for building high-efficiency houses

** used in more than five provinces*

Myths of EE programs

“They pay people for things they would do anyway.”

EE programs target products and practices that are not yet commonplace. They are explicitly designed to increase the uptake of products and practices well beyond business-as-usual. Even when taking ‘free riders’ into account (ie. people that would have bought the product even without the incentive), EE programs have proven to be a good investment.

EE programs are typically evaluated annually and almost always report to a regulator to ensure they are creating good value for the money spent.

“They require energy audits.”

Some past home retrofit programs have required homeowners to have EnerGuide pre- and post-retrofit audits in order to apply for rebates. This was a result of a federal program that was trying to create significant consumer engagement alongside their incentive program. EE programs do not require this type of auditing and it is, in fact, more common for them to be designed to be as simple as possible for participants.

